

European Union budgetary procedures and financial perspectives*

2000-06

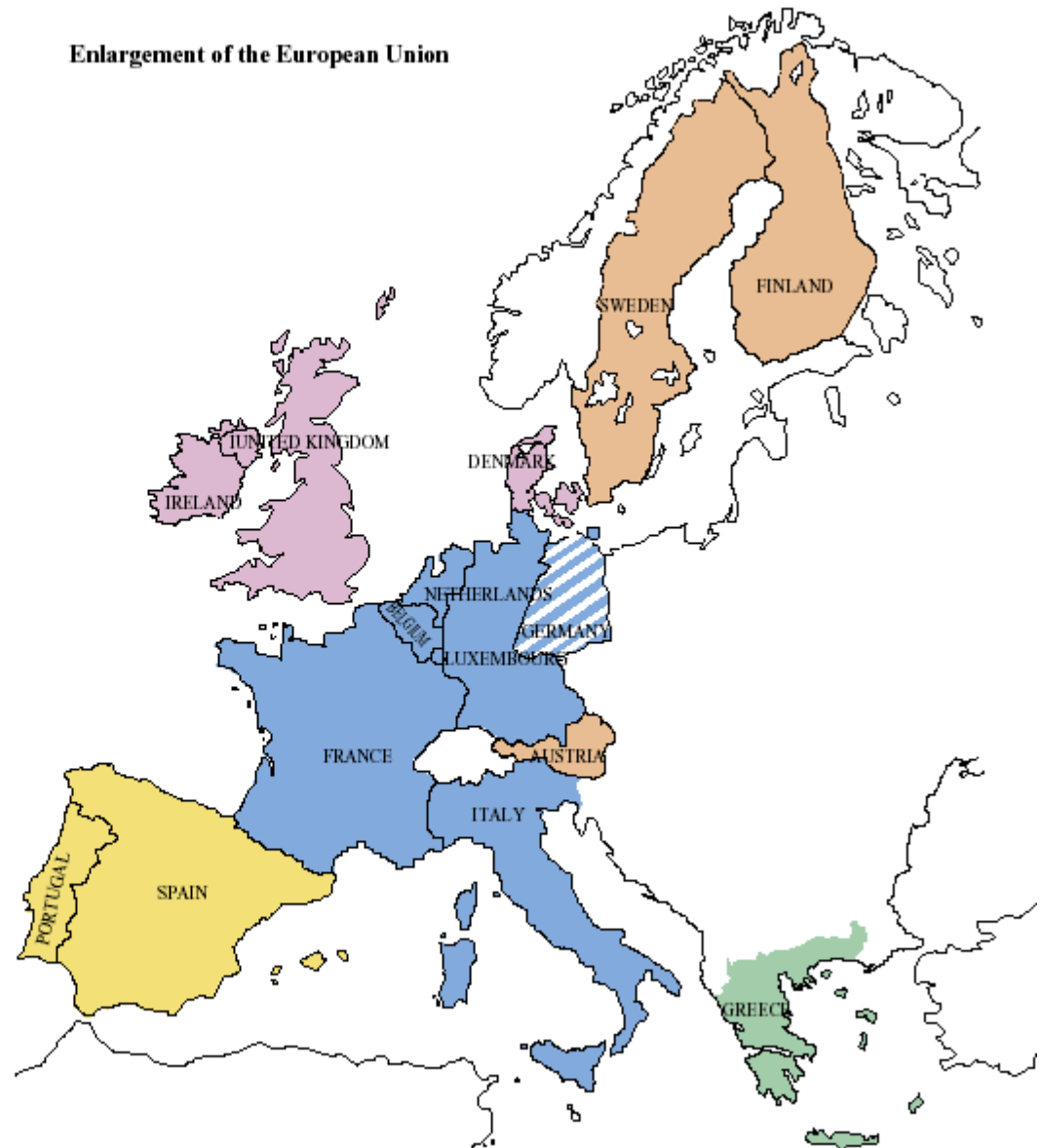
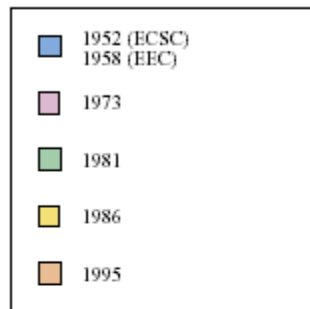
Rozpočtové procedúry Európskej únie a
finančné perspektívy do roku 2013

Prof. L.Kabát
FSEV UK Bratislava
Apríl, 2004

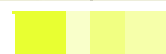
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Prezentácia využíva autorské a informačné zdroje EU a OECD

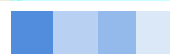
Enlargement of the European Union



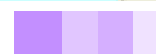
Enlarging the European Union: a historic step



Member States
of the European Union



New Member States
due to join in 2004



Candidate
countries



European
Union

Objem GDP per caput

EU 15=100

	Index	Rank
Luxembourg	186	1
Denmark	121	2
Netherlands	114	3
Ireland	112	4
Austria	111	5
Belgium	107	6
Germany	106	7
Italy	103	8
Sweden	101	9
Finland	101	9
United Kingdom	101	9
France	100	12
Spain	82	13
Portugal	74	14
Greece	68	15
EU 15	100	

Základné princípy tvorby rozpočtu EU

The major principles

- **Unity** – Article 268 The Treaty
 - všetky zložky rozpočtu na príjmovej aj výdajovej strane musia byť formulované v **jedinom** dokumente
- **Universality**
 - Konkrétne položky v príjmoch nie je možné alokovať na konkrétne položky vo výdavkoch
- **Annuality**
 - Rozpočet sa tvorí na ročné obdobie
 - Commitment appropriations
 - Payment appropriations
- **Equilibrium**
 - Príjmy = výdavky
 - The estimated revenue = the appropriations for payments
- **Specification**
 - Štruktúra rozpočtu na strane tvorby i užitia je záväzná a presne špecifikovaná
 - Paying agency
- **Euro - Monetary unit**

The revenue of the EU

- Started with the ECSC in 1952
 - Priebežný vývoj rozpočtovej politiky
 - Currently there are four pillars >>>>
-
- 1 Agricultural duties and levies
 - 2 Custom duties from non-member countries
 - 3 VAT
 - 4 The own resources

The revenue of the EU

1 Agricultural levies

- In accordance with the GATT

• 2 Custom duties from non-member countries

• 3 VAT

- gradually reduced

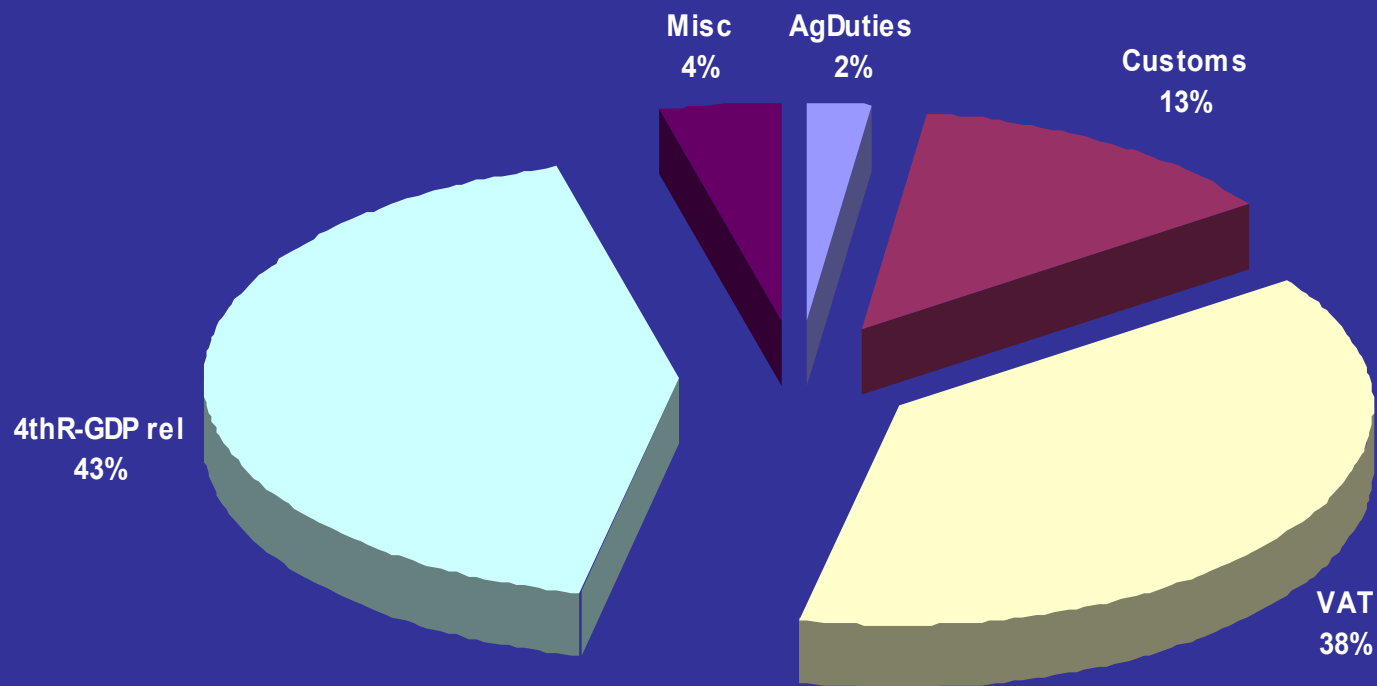
- 1.4 %
- 1.0 %
- 0.55 %
- 0.50 %

• 4 The own resources

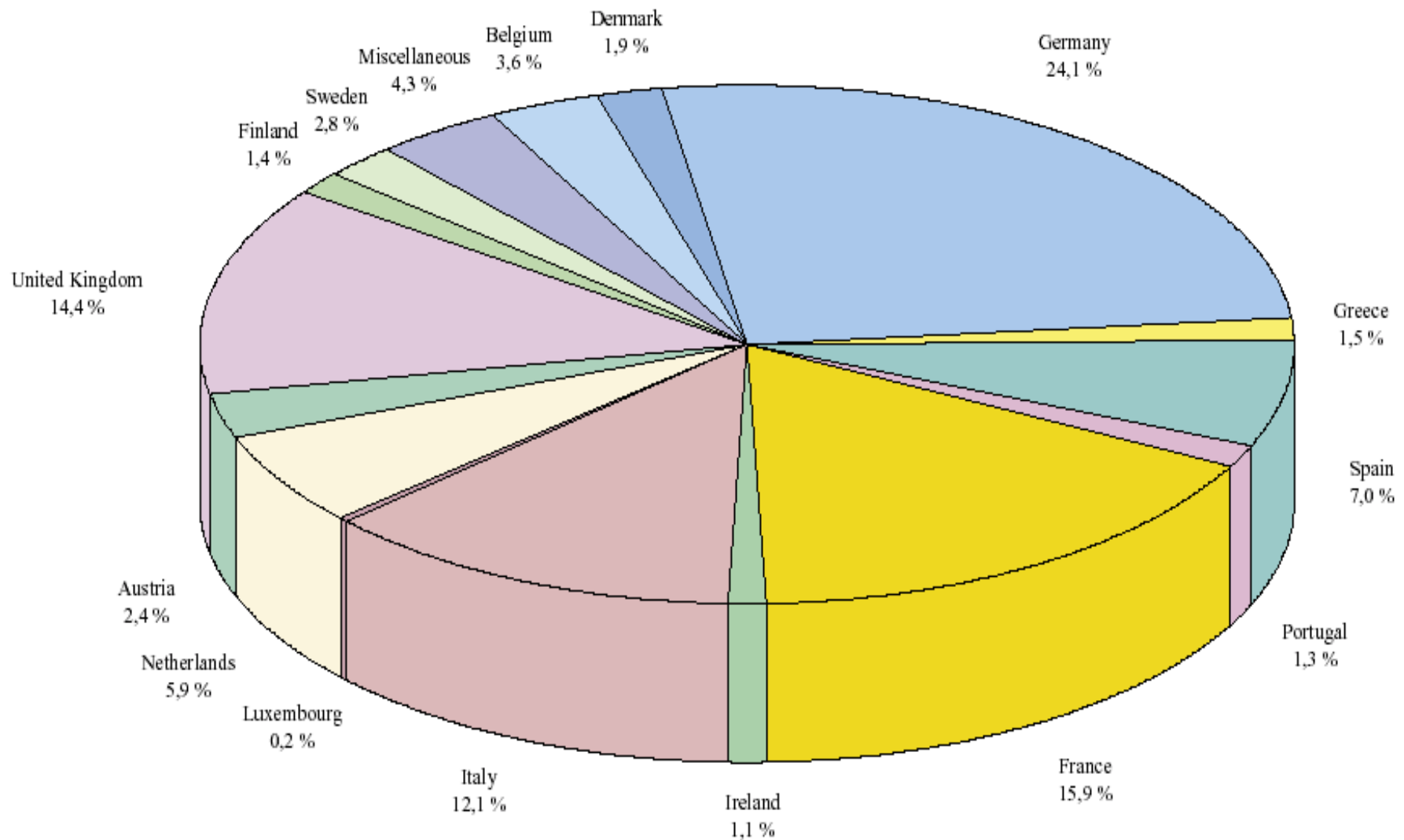
- up to 1.24 (1.27) % of GDP

• 5 Miscellaneous

The financing of the 2000 budget expenditure

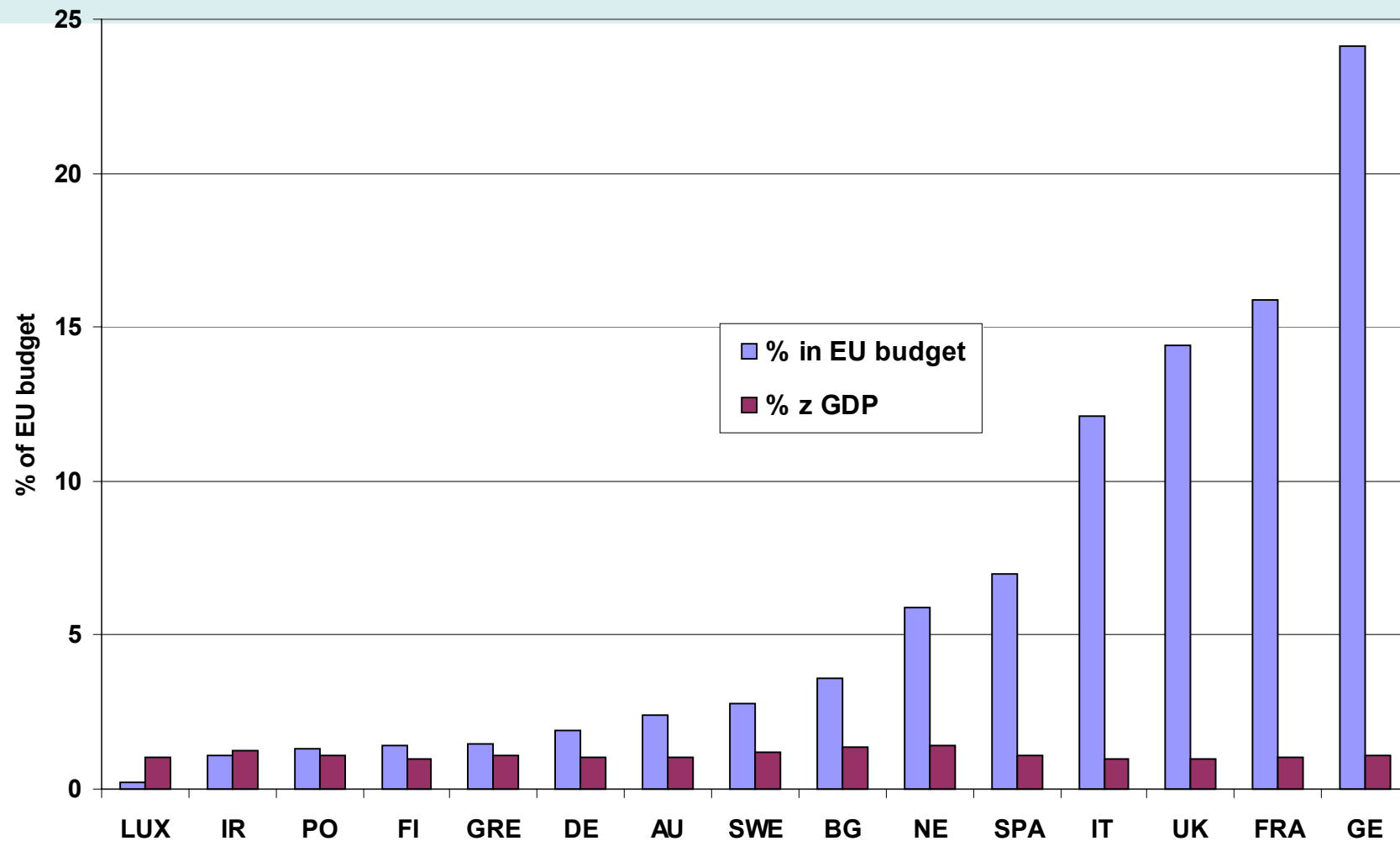


Financing of expenditure from the 2000 general budget by Member State



Štruktúra dôchodkov Únie – 2002

Share of individual countries in the EU budget generation



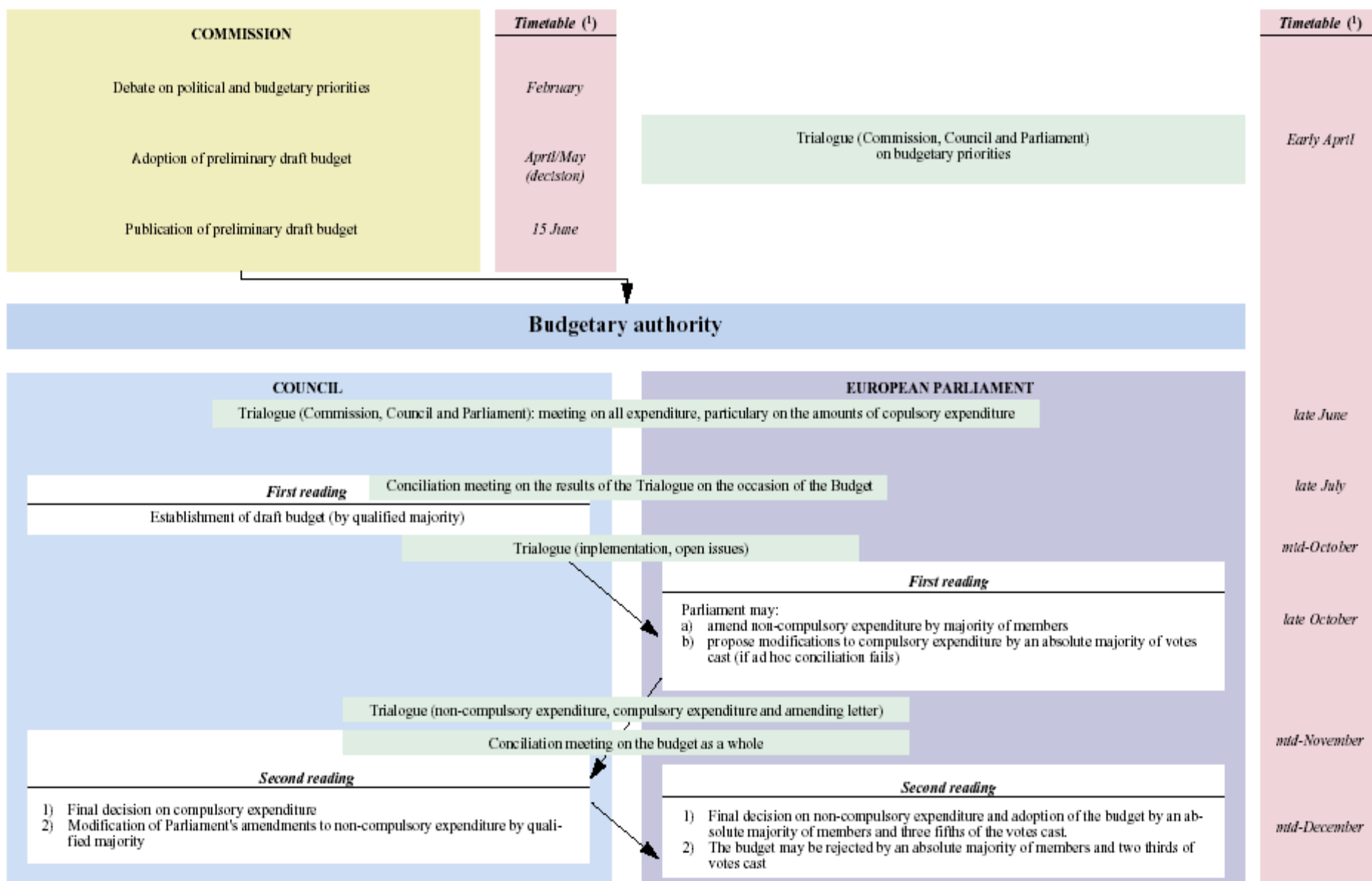
The expenditures of the Union

- The statement of expenditures is divided into six sections : (inštitucionálne)
 - **Parliament** admin appropriations
 - **Council** admin appropriations
 - **Commission** admin+operating app
 - Part A - administration
 - Part B - operations
 - **Court of Justice** admin appropriations
 - **Court of Auditors** admin appropriations
 - **Econ&Social Committee of the Regions** admin

Common Agricultural and Regional Development Policy Tools

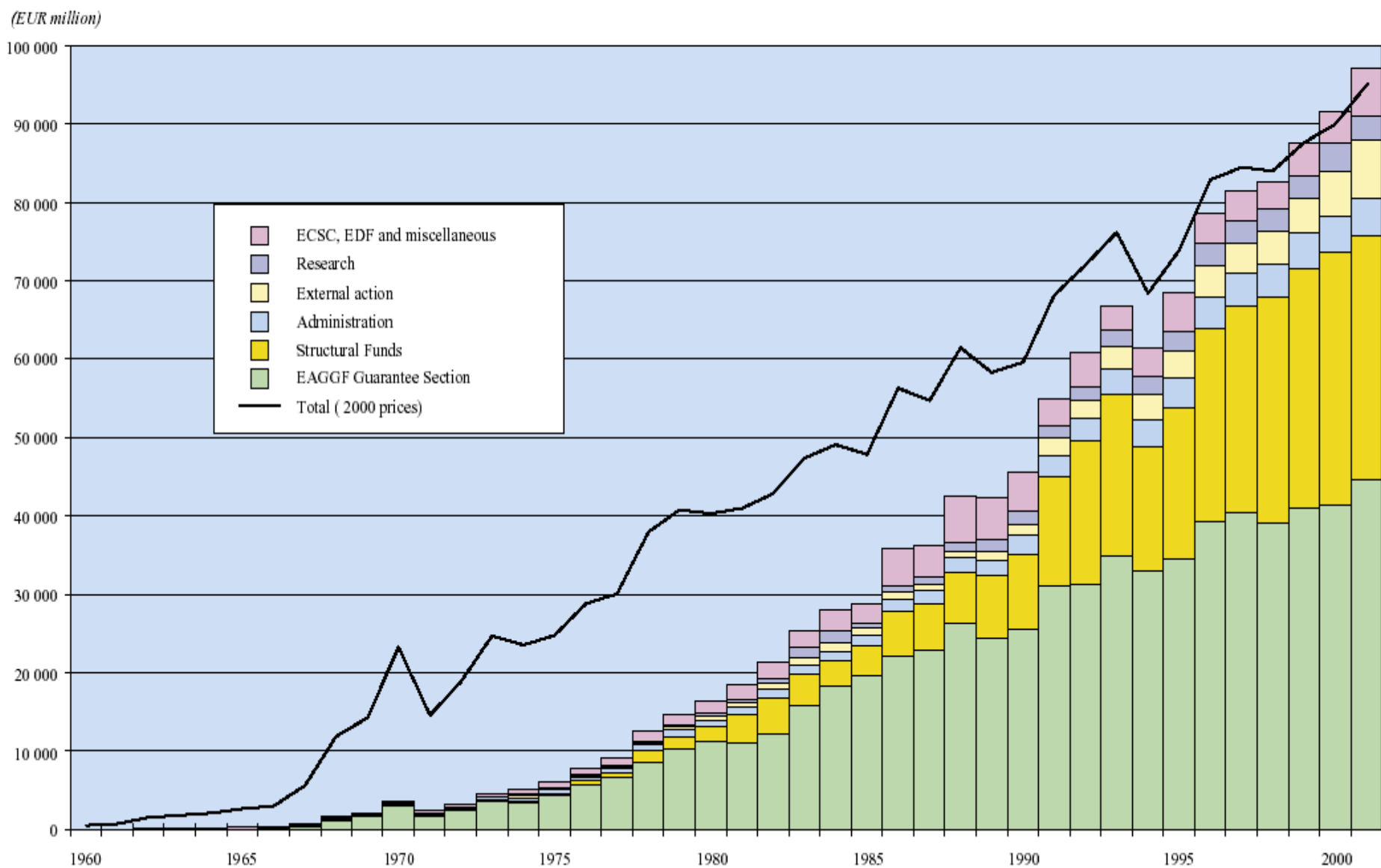
- EAGGFA
 - European Agricultural Guidance and Guarantee Fund
- ERDF
 - European Regional Development Fund
- ESF
 - European Social Fund
- FIFG
 - Financial Instrument for Fisheries Guidance
- Cohesion Fund

THE BUDGETARY PROCEDURE

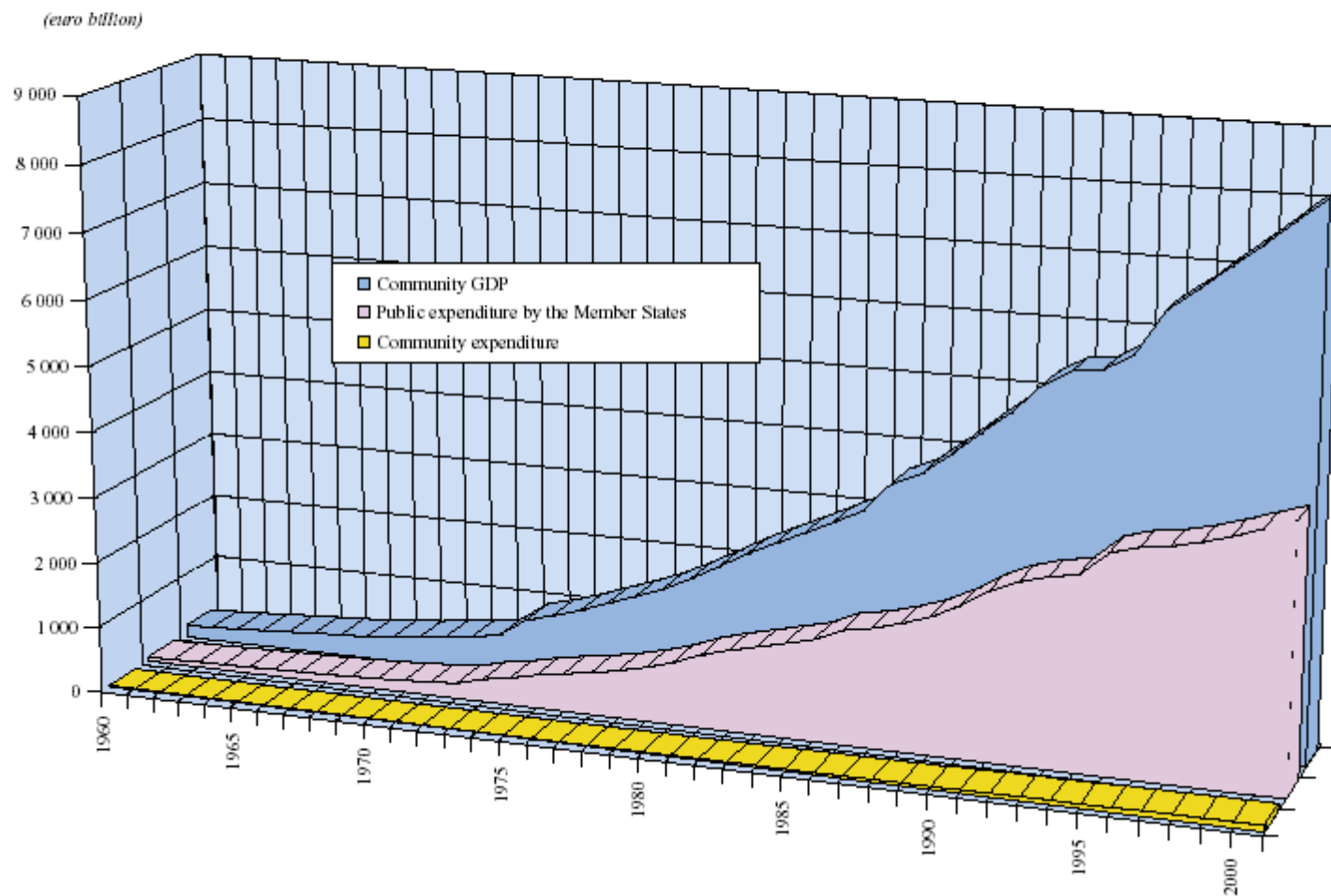


⁽¹⁾ Pragmatic timetable..

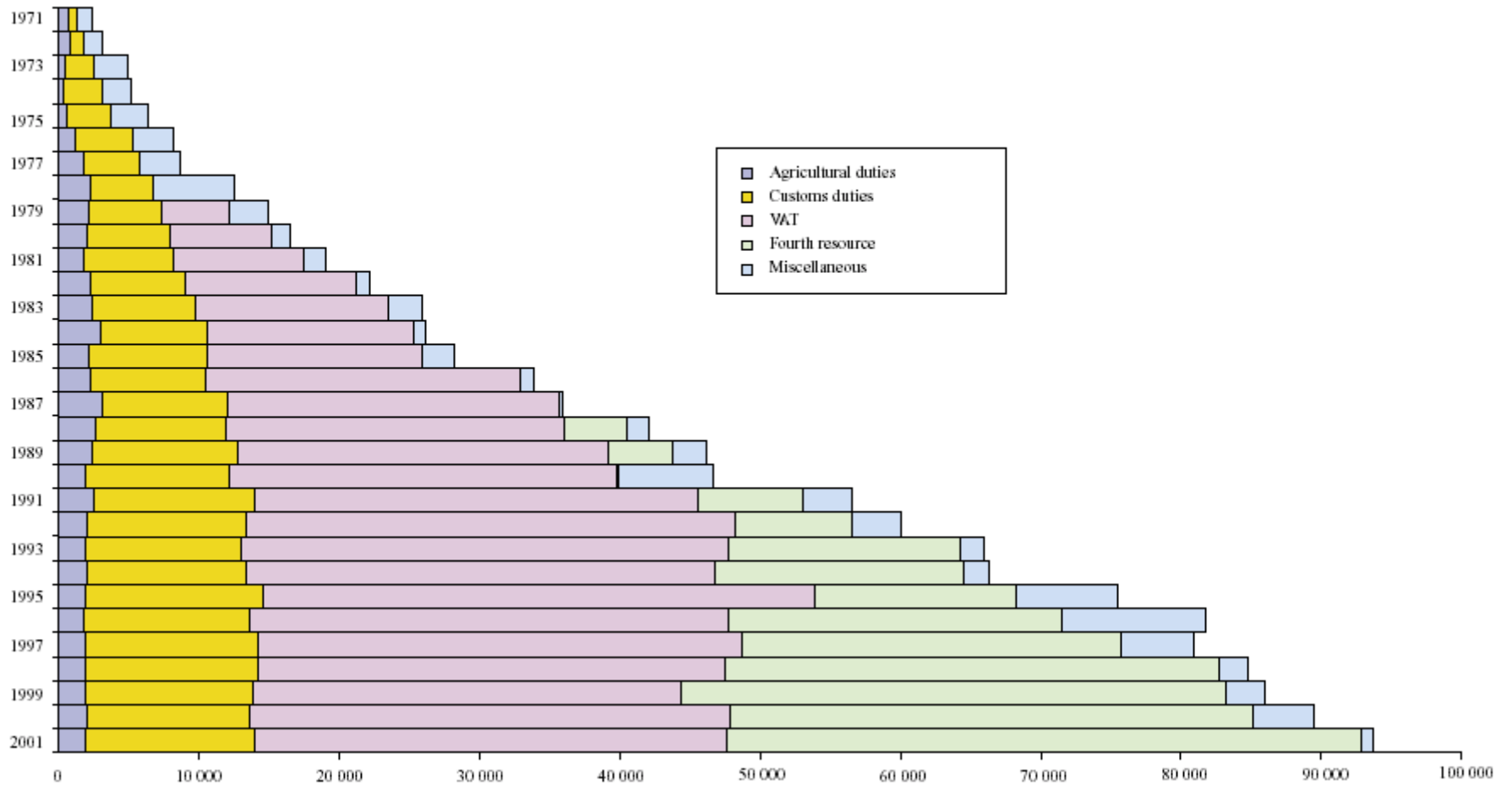
Community expenditure from 1958 to 2001 (at current prices and 2000 prices)



Community GDP, public expenditure by the Member States and Community expenditure from 1960 to 2001



Community revenue from 1971 to 2001



Staff of the Community institutions from 1968 to 2000

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Parliament	514	529	532	589	787	1 096	1 172	1 206	1 404	1 537	1 709	2 112	2 573
Council	563	569	618	628	980	1 218	1 330	1 481	1 501	1 508	1 517	1 547	1 599
Commission	7 703	7 707	7 801	8 025	8 239	9 247	9 573	9 987	10 641	11 068	11 418	11 649	11 947
of which — Administrative budget	4 953	5 003	5 201	5 455	5 827	6 799	7 194	7 605	7 777	8 048	8 378	8 580	8 885
— Research budget	2 750	2 704	2 501	2 450	2 277	2 277	2 198	2 184	2 658	2 806	2 816	2 771	2 736
— Publications Office			99	120	135	171	181	198	206	214	224	237	265
— Other bodies *												61	61
Court of Justice	110	110	114	126	138	223	254	261	264	275	288	315	363
Court of Auditors	19	24	26	29	30	35	35	35	35	35	164	214	259
Economic and Social Committee ⁽¹⁾ and Committee of the Regions	117	129	144	156	192	252	284	292	302	305	315	325	339
Total	9 026	9 068	9 235	9 553	10 366	12 071	12 648	13 262	14 147	14 728	15 411	16 162	17 080

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Parliament	2 927	2 931	2 941	2 966	2 998	3 277	3 360	3 405	3 405	3 482	3 565	3 686	3 790
Council	1 700	1 755	1 798	1 792	1 888	2 016	2 066	2 130	2 165	2 184	2 205	2 225	2 256
Commission	12 283	12 675	12 998	13 280	13 703	14 262	15 161	15 905	16 309	16 720	17 175	17 946	18 576
of which — Administrative budget	9 173	9 565	9 852	10 037	10 369	10 881	11 622	12 328	12 611	12 887	13 157	13 975	14 540
— Research budget	2 753	2 747	2 779	2 851	2 922	2 939	3 053	3 073	3 176	3 285	3 462	3 409	3 430
— Publications Office	284	288	292	312	331	350	380	396	406	424	428	428	463
— Other bodies *	73	75	75	80	81	92	106	108	116	124	128	134	143
Court of Justice	452	474	478	480	480	571	646	672	733	752	794	800	825
Court of Auditors	284	294	303	303	307	345	366	375	377	379	384	394	402
Economic and Social Committee ⁽¹⁾ and Committee of the Regions	374	378	391	400	405	448	471	485	494	501	506	510	510
Total	18 020	18 507	18 909	19 221	19 781	20 919	22 070	22 972	23 483	24 018	24 629	25 561	26 359

⁽¹⁾ Until 1993, the staff of the Economic and Social Committee were included in Section II of the budget. From 1994, they have been included in the new Section VI together with the staff of the Committee of the Regions, which was set up in 1994.

Staff of the Community institutions from 1968 to 2000

	1994	1995	1996	1997	1998	1 999	2000
Parliament	3 790	4 091	4 105	4 109	4 110	4 125	4 126
Council	2 304	2 464	2 529	2 529	2 534	2 621	2 648
Commission	19 027	20 383	21 464	22 006	22 509	21 633	21 703
of which — Administrative budget	14 918	15 836	16 449	16 789	17 094	17 082	17 087
— Research budget	3 497	3 497	3 694	3 712	3 712	3 712	3 704
— Publications Office	465	525	525	525	525	525	522
— Other bodies *	147	525	796	980	1 178	314	390
Court of Justice	837	950	953	953	953	961	1 006
Court of Auditors	427	503	503	528	553	552	552
Economic and Social Committee ⁽¹⁾ and Committee of the Regions	599	716	727	739	739	737	742
Total	26 984	29 107	30 281	30 864	31 398	30 629	30 777

⁽¹⁾ Until 1993, the staff of the Economic and Social Committee were included in Section II of the budget. From 1994, they have been included in the new Section VI together with the staff of the Committee of the Regions, which was set up in 1994.

Summary of the financing of expenditure from the 2000 general budget

(EUR million)

	Agricultural duties	Customs duties	VAT	Fourth resource	Total		Agricultural duties	Customs duties	VAT	Fourth resource	Total
Belgium	99,2	1 000,2	1 030,1	1 114,4	3 243,8	Luxembourg	0,6	19,7	90,6	83,7	194,6
Denmark	44,0	250,1	657,2	731,1	1 682,4	Netherlands	228,8	1 373,0	1 891,1	1 755,3	5 248,2
Germany	444,4	2 714,5	9 263,7	9 176,4	21 599,0	Austria	42,8	200,6	958,4	906,0	2 107,8
Greece	19,9	166,7	611,4	564,5	1 362,5	Portugal	42,9	142,3	526,8	486,4	1 198,5
Spain	72,7	722,1	2 845,9	2 627,8	6 268,6	Finland	16,1	113,8	529,4	559,2	1 218,5
France	348,2	1 126,5	6 494,7	6 286,3	14 255,8	Sweden	42,1	316,5	1 042,0	1 075,8	2 476,4
Ireland	11,4	161,6	421,3	389,0	983,3	United Kingdom	451,0	2 269,9	3 247,3	6 945,3	12 913,5
Italy	174,2	1 087,9	4 438,8	5 103,8	10 804,6	Miscellaneous					3 883,2
						Total	2 038,4	11 665,3	34 048,6	37 805,1	89 440,6

Table 33

Summary of the financing of expenditure from the 2000 general budget

(%)

	Agricultural duties	Customs duties	VAT	Fourth resource	Total
Belgium	4,9	8,6	3,0	2,9	3,6
Denmark	2,2	2,1	1,9	1,9	1,9
Germany	21,8	23,3	27,2	24,3	24,1
Greece	1,0	1,4	1,8	1,5	1,5
Spain	3,6	6,2	8,4	7,0	7,0
France	17,1	9,7	19,1	16,6	15,9
Ireland	0,6	1,4	1,2	1,0	1,1
Italy	8,5	9,3	13,0	13,5	12,1
Luxembourg	0,0	0,2	0,3	0,2	0,2
Netherlands	11,2	11,8	5,6	4,6	5,9
Austria	2,1	1,7	2,8	2,4	2,4
Portugal	2,1	1,2	1,5	1,3	1,3
Finland	0,8	1,0	1,6	1,5	1,4
Sweden	2,1	2,7	3,1	2,8	2,8
United Kingdom	22,1	19,5	9,5	18,4	14,4
Miscellaneous					4,3
Total	100,0	100,0	100,0	100,0	100,0

Table 34

Summary of the financing of expenditure from the 2000 general budget

(%)

	Agricultural duties	Customs duties	VAT	Fourth resource	Miscellaneous	Total
Belgium	3,1	30,8	31,8	34,4		100,0
Denmark	2,6	14,9	39,1	43,5		100,0
Germany	2,1	12,6	42,9	42,5		100,0
Greece	1,5	12,2	44,9	41,4		100,0
Spain	1,2	11,5	45,4	41,9		100,0
France	2,4	7,9	45,6	44,1		100,0
Ireland	1,2	16,4	42,8	39,6		100,0
Italy	1,6	10,1	41,1	47,2		100,0
Luxembourg	0,3	10,1	46,6	43,0		100,0
Netherlands	4,4	26,2	36,0	33,4		100,0
Austria	2,0	9,5	45,5	43,0		100,0
Portugal	3,6	11,9	44,0	40,6		100,0
Finland	1,3	9,3	43,4	45,9		100,0
Sweden	1,7	12,8	42,1	43,4		100,0
United Kingdom	3,5	17,6	25,1	53,8		100,0
Total	2,3	13,0	38,1	42,3	4,3	100,0

Financial perspective 2000-2006

(EUR million; 2000 prices)

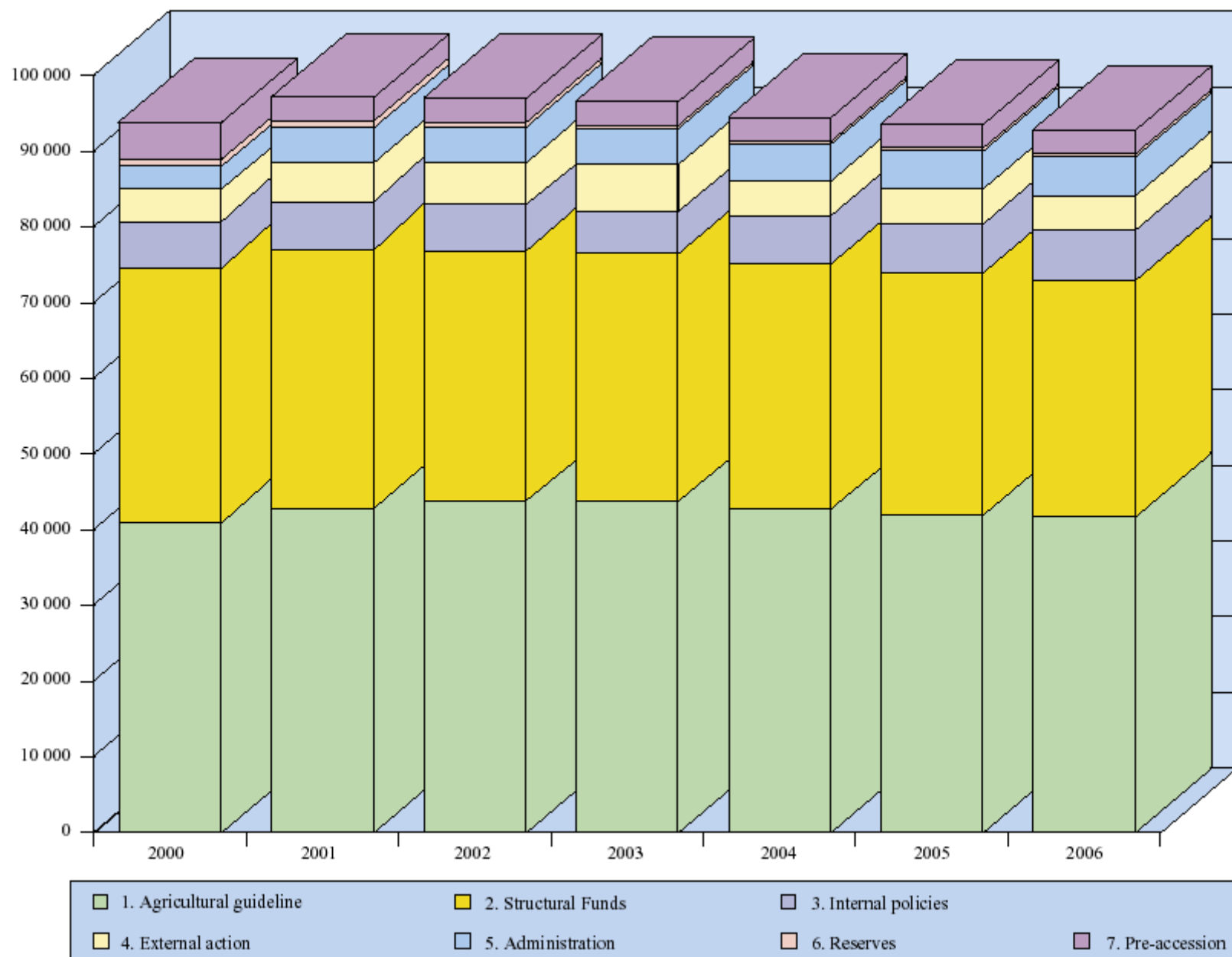
	2000	2001	2002	2003	2004	2005	2006
Appropriations for commitments							
1. Agriculture	41 738	44 530	45 379	45 538	44 488	43 624	43 344
CAP (not including rural development)	37 352	40 035	40 874	41 023	39 962	39 088	38 797
Rural development and accompanying measures	4 386	4 495	4 505	4 515	4 526	4 536	4 547
2. Structural Funds	32 678	32 720	32 106	31 503	30 785	30 785	30 343
Structural Funds	30 019	30 005	29 391	28 788	28 174	28 174	27 737
Cohesion Fund	2 659	2 715	2 715	2 715	2 611	2 611	2 606
3. Internal policies ⁽¹⁾	6 031	6 272	6 386	6 500	6 614	6 729	6 853
4. External action	4 627	4 755	5 019	5 025	5 029	5 035	5 040
5. Administration ⁽²⁾	4 798	4 939 ⁽³⁾	4 880	4 984	5 088	5 192	5 296
6. Reserves	906	916	666	416	416	416	416
Monetary reserve	500	500	250				
Emergency aid reserve	203	208	208	208	208	208	208
Guarantee reserve	203	208	208	208	208	208	208
7. Pre-accession aid	3 174	3 240	3 260	3 260	3 260	3 259	3 259
Agriculture	529	540	540	540	540	540	540
Pre-accession structural instrument	1 058	1 080	1 080	1 080	1 080	1 080	1 080
Phare (applicant countries)	1 587	1 620	1 620	1 620	1 620	1 620	1 620
Mediterranean pre-accession strategy			20	20	20	19	19
Commitment appropriations – Total	93 952	97 372	97 696	97 226	95 680	95 040	94 551
Payments appropriations – Total	91 482	94 893	97 975	98 671	95 581	93 759	93 197
Appropriations for payments as % of GNP	1,13 %	1,11 %	1,12 %	1,10 %	1,04 %	1,00%	0,97%
Available for accession (appropriations for payments)			4 306	6 979	9 247	11 899	14 792
Agriculture			1 665	2 112	2 549	3048	3 537
Other expenditure			2 641	4 867	6 698	8 851	11 255
ceiling, appropriations for payments	91 482	94 893	102 281	105 650	104 828	105 658	107 989
Ceiling, payments as % of GNP	1,13%	1,11%	1,17%	1,18%	1,14%	1,12%	1,12%
Margin for unforeseen expenditure	0,14%	0,16%	0,10%	0,09%	0,13%	0,15%	0,15%
Own resources ceiling	1,27%	1,27%	1,27%	1,27%	1,27%	1,27%	1,27%

⁽¹⁾ In accordance with Article 2 of Decision No 182/1999/EC of the European Parliament and of the Council and Article 2 of Council Decision 1999/64/Euratom (OJ L 26, 1.2.1999, p. 1 and p. 34, € 11 510 million at current prices is available for research over the period 2000-02

⁽²⁾ The expenditure on pensions included under the ceiling for this heading is calculated net of staff contributions to the relevant scheme, up to a maximum of €1 100 million at 1999 prices for the period 2000-2006

⁽³⁾ Including €163 million in staff contributions to the pension scheme.

Financial perspective 2000-2006



Finančné perspektívy EU do roku 2006

- **Zodpovednejšia agrárna politika EU**
 - **Postupná redukcia zdrojov CAP**
 - **Viac pozornosti vidieckemu rozvoju**
 - **Rozpočtová subkapitola**
- **Rozšírenie EU**
 - **nová rozpočtová kapitola č. 7**
 - **SAPARD**
 - **ISPA**
 - **Phare**
- **Rozpočtové stropy - ceilings**
 - **Vlastné zdroje ≤ 1.24 % GNI**
 - **Activity Based Budgeting – ABB**
 - **Policy areas - 29**

Financial perspectives for 2007-2013

Glossary

Abbreviation or acronym	Meaning		
ACP	African, Caribbean and Pacific States	EEC	European Economic Community
Altener	Programme for the promotion of renewable energy sources in the Community	EFTA	European Free Trade Association
Ariane	Programme of support for books and reading	EIB	European Investment Bank
Bridge	Biotechnology research for innovation, development and growth in Europe	Erasmus	European Community action scheme for the mobility of university students
CAP	Common agricultural policy	ERDF	European Regional Development Fund
CE	Compulsory expenditure	ESF	European Social Fund
CFSP	Common foreign and security policy	Esprit	European strategic programme for research and development in information technology
CIS	Commonwealth of Independent States	EU	European Union
COM	Reference to official Commission publications	Euratom	See EAEC
CONNECT	Innovation and connection of Community programmes - preparatory measures	EURES	European employment services
CSF	Community support framework	FIFG	Financial Instrument for Fisheries Guidance
EAEC	European Atomic Energy Community (Euratom)	FORCE	Community action programme for the development of continuing vocational training
EAGGF-Guarantee	European Agricultural Guidance and Guarantee Fund, Guarantee Section	FP	Financial perspective
EAGGF-Guidance	European Agricultural Guidance and Guarantee Fund, Guidance Section	GATT	General Agreement on Tariffs and Trade
ECSC	European Coal and Steel Community	GDP	Gross domestic product
ECU	European currency unit	GNP	Gross national product
EDF	European Development Fund	IMPs	Integrated Mediterranean programmes
EEA	European Economic Area	Impact	Information market policy actions
		JET	Joint European Torus
		JHA	Justice and home affairs ('third pillar')

Kaleidoscope 2000	Programme of support for artistic and cultural activities of a European dimension	PHARE	Poland-Hungary: aid for restructuring of the economy p.m. Pour mémoire (token entry)
Leonardo	Action programme for the implementation of a European Community vocational training policy	RACE	Research and development in advanced communication technologies for Europe
LIFE	Financial instrument for the environment	Raphael	Community action programme concerning the cultural heritage
Lingua	Promotion of the teaching and learning of foreign languages	R&TD	Research and technological development
MEDA	Measures to accompany the reforms to the economic and social structures in non-member countries of the Mediterranean basin	SAB	Supplementary and amending budget
		SAVE	Specific actions for vigorous energy efficiency
NCE	Non-compulsory expenditure	Socrates	Community action programme in the field of education
NCI	New Community Instrument	SPD	Single programming document
OCTs	Overseas countries and territories	Stabex	System of stabilization of export earnings for agricultural products
PDB	Preliminary draft budget	Sysmin	System of stabilization of export earnings for mineral products
PDSAB	Preliminary draft supplementary and amending budget	TACIS	Technical assistance to the Commonwealth of Independent States
PEACE	Community initiative to support the peace process in Northern Ireland	TENs	Trans-European networks
PETRA	Action programme for the training and preparation of young people for adult and working life	VAT	Value-added tax